

FEDERAL CROP INSURANCE

on

SUMMERFALLOW WHEAT

in

Baca County, Colorado

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Baca County wheat producers can get Federal Crop Insurance protection on a substantial part of their investment in producing wheat on summerfallow ground against losses caused by the many production hazards that man cannot control.

It's a new, low-cost protection of investment from seeding through harvest against loss caused by such unavoidable production risks as drought, hail, rust, winterkill, wind, frost, fire, flood, excessive moisture, insects and plant diseases.

A Federal Crop Insurance policy does not cover losses resulting from avoidable causes such as neglect, poor farming practices, or failure to reseed if it is practical to do so.

It's sound business to protect your investment. A crop insurance premium adds only a small amount to your operating costs. The premium is deductible as an operating expense for income-tax purposes and an assignment can be made against the policy as collateral security for a loan or other obligation.

An application and full information can be obtained at the county office.

U. S. DEPARTMENT OF AGRICULTURE
Federal Crop Insurance Corporation

AUG 25 1948

STRENGTH IN NUMBERS

Federal Crop Insurance is a farmer's program, with each insured producer paying a small amount for protection against unavoidable production risks so that none among them will suffer a disastrous loss. This is a basic principle of insurance. The Federal Crop Insurance Corporation provides the machinery for wheat farmers to put this basic business principle to work for them.

Crop insurance premiums are used only to pay losses to insured producers. Administrative costs are carried by the Federal Government as a service to farmers. In years when premiums paid by Baca County producers exceed losses paid in the county, the excess of premiums will build a reserve to cover losses in years when crop failure is widespread in the county. Accumulation of an adequate reserve will lower the cost of the protection to Baca County producers. In other words, over a period of years the actual loss experience in Baca County will determine the cost of this protection to its wheat producers.

INSURABLE ACREAGE

Only wheat on summerfallow land in Baca County for which the Federal Crop Insurance Corporation has established a coverage and rate will be insured. An owner-operator, tenant or landlord may insure. The policy covers all insurable acreage in the county in which the insured has an interest at the time of seeding.

The insured acreage may constitute one or more insurance units for loss determination. Generally, each of the following constitute a separate insurance unit: (1) All acreage in which the insured has a 100-percent interest in the crop; or (2) all acreage under one ownership worked by one share tenant.

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COVERAGE AND PREMIUM

The crop insurance coverage available to all eligible producers in Baca County is:

- 1st stage: 2.8 bushels per acre on acreage released for planting to a substitute crop;
- 2nd stage: 5.0 bushels per acre on unharvested acreage not planted to a substitute crop, which includes acreage released for summerfallow; and
- 3rd stage: 5.6 bushels per acre on acreage harvested.

The premium is 1.0 bushel an acre or less, depending upon the insured's share in the crop and the number of acres seeded.

FIXED PRICE

One fixed price will be used in Baca County each year to convert both premiums and indemnities to a dollar value. The fixed price for the 1949 crop will be 90% of the January 15, 1949, parity adjusted for location differential.

PREMIUM DISCOUNT

A 5% discount on the cash premium will be given producers who report their seeded acreage to the county office not later than December 31 and pay their premium not later than February 28 next.

DETERMINING LOSSES

An indemnity is due the insured if the total production for an insurance unit is less than the coverage for the insurance unit.

Total production on an insurance unit includes: (1) Wheat harvested, and (2) any production charged against coverage for acreage released or left unharvested or for losses from causes not insured against. No production will be counted for acreage released for planting a substitute crop if the adjuster's appraisal is less than 2.8 bushels per acre. If it exceeds this, only that production in excess of 2.8 bushels per acre is counted. In the second stage the production counted will be the amount appraised less .6 bushel per acre.

CANCELLATION PRIVILEGE

The policy is continuous since most insured producers want their investments in producing a wheat crop protected every year. However, it may be cancelled by the insured for any year by exercising his cancellation privilege before the deadline date specified in his policy. This cancellation must, of course, be made in writing.

WHAT YOU DO

File an application before the closing date.

Report the acreage you seed to wheat and your interest in the crop at the time of seeding. Make this report immediately after seeding.

Seed, care for and harvest the crop in accordance with good farming practices.

Reseed any acreage destroyed while there is still time to reseed. Such acreage will not be insured unless it is reseeded.

Do not put any insured acreage to another use until it has been released in writing by an authorized representative of the Corporation.

Report immediately to the county office any material damage to the crop. Report a loss under the contract immediately. It must be reported within 15 days after harvest.

Pay your premium promptly. Don't overlook the 5 percent discount that is available.

Inquire at the county office for more complete information and an application.

DON'T INSURE TO COLLECT
INSURE TO PROTECT